



SOLARIS PAPER PTY LTD

Solaris Paper Pty Ltd

**United Nations Global Compact (UNGC) Communication on
Progress (COP)**

Period Covered by COP: 23 September 2014 – 23 September 2015



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Statement of Continued Support

23 September 2015

Dear Stakeholders,

I am pleased to confirm that Solaris Paper Pty Ltd reaffirms its support for the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.



In this annual Communication on Progress (COP), we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

As a key requirement for participation in the Global Compact, the following COP describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to reporting our progress annually according to the Global Compact COP policy.

Yours sincerely,

A handwritten signature in blue ink, which appears to read 'Terry Hughes'. The signature is fluid and stylized, with a long, sweeping underline.

Terry Hughes

CEO

Solaris Paper Pty Ltd

Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses

Assessment, Policy and Goals

Solaris Paper supports and respects the protection of internationally proclaimed human rights through upholding our performance and monitoring any potential risks. Our business activities continue to be low risk in relation to direct complicity in human rights violations, being an Australian SME business with 85 employees.

It is our policy to ensure that such rights are implemented for employees at all levels by promoting a culture of respect for the law, and respect of all members associated with our business, including employees and stakeholders.

All employees have access to the company's Code of Conduct, with the purpose of ensuring that they have a fair and transparent process available to them through which their concerns regarding equal opportunity can be promptly and appropriately addressed.

Implementation

Implementation of Solaris Paper's own human rights risk management is based on our Code of Conduct which is introduced to all Solaris Paper employees through our induction process and is fully implemented across the business.

Solaris Paper is committed to the principles of Equal Employment Opportunity and will use its best endeavours to support the creation of working conditions to ensure that all employees have an equal chance to seek and obtain employment, promotion, training and the benefits of employment. This position reflects our desire to enjoy a workplace free of discrimination where each person has the opportunity to progress to the extent of his and her ability.

Our policy acknowledges under Federal and State anti-discrimination laws, discrimination against employees, contractors, customers, visitors or suppliers on the following grounds is against the law:

- Sex
- Relationship or parental status
- Race
- Religious belief or activity
- Political belief or activity
- Disability

- Trade union activity
- Lawful sexual activity
- Pregnancy
- Breastfeeding needs
- Family responsibilities
- Gender identity
- Sexuality
- Age

Personal grievances are treated confidentially, seriously and expeditiously. If a member of staff believes they have not been treated equitably in accordance with our Code of Conduct, they are encouraged to make a complaint as outlined in the Grievance Procedure which is located on our shared drive.

The individual also has the right at any time to refer the matter to the Australian Industrial Relations Commission, the Equal Opportunity Commission and/or any other appropriate body for conciliation.

An employee who feels he/she has been treated unfairly or unreasonably should immediately advise their supervisor or manager at Solaris Paper who will be able to give them information in respect to the grievances process and available options.

All humans have a right to health and safety and Solaris Paper believes it is our duty to provide this in the workplace. Solaris Paper's Health and Safety Policy outlines our aims and objectives to ensure our employees, contractors, customers and visitors are not exposed to harm as part of our operations.

Solaris Paper puts its commitment to health and safety into practice through a number of initiatives including:

- WHS training: health and safety representative and emergency response training
- First aid training
- Flu vaccinations for all staff
- Hosting a Safety and Wellbeing Week each quarter

In July 2015, we celebrated our first Safety and Wellbeing Week to highlight the importance of safety in all spheres of life as to prevent mishaps and accidents resulting out of neglect or lack of awareness. Solaris Paper understands workplace safety cannot exist on best practice guidelines and policies alone. A safe working environment is based on how well the people, in both management and on the production floor, adhere to, and communicate the importance of safety standards.

Activities during the week included morning safety talks, afternoon walks, a healthy team lunch and morning tea, a quit smoking session, massages, mobile phone pledges and Foodbank corporate volunteering.

In the last year Solaris Paper has supported [Foodbank NSW and ACT](#), a hunger relief organisation with national presence which acts as a pantry to the charities and community groups who feed the hungry. In addition to food items, there is a need for sanitary items which is sometimes less of a

priority for those facing financial hardship. That is why Solaris Paper donates tissue products to Foodbank NSW and ACT every fortnight. Realising the great need for these products we recently increased our donation from two pallets a month to four pallets every fortnight.

Solaris Paper also has also extended its support for Foodbank NSW and ACT this year by taking part in a corporate volunteering day. Twelve members of staff helped out with warehouse duties and packed food and grocery items at our local Foodbank distribution centre. It was a rewarding day and great team building exercise for the company to be involved in.

We have also made product donations in the last year to [Who Cares? We Do](#), Burdekin Distributors and Pro Quality Fish in support of Queensland farmers and [Orana](#).

Solaris Paper is committed to respecting human rights throughout the business, this extends to our affiliation with Asia Pulp and Paper (APP) and its mills. APP mills are also members of the United Nations Global Compact and adopt the United Nation's "Protect, Respect and Remedy" framework, acting responsibly and with due diligence to avoid infringing on the rights of others. This forms an essential part of APP's Sustainability Roadmap commitments.

Measurement of Outcomes

Solaris Paper had no reports of investigations, legal cases, rulings, fines or other events related to human rights abuse in the workplace in the last 12 months.

Each year, all staff policies, processes and procedures relating to human rights are revisited and reviewed. We continually review these to ensure they are suitable, relevant and up-to-date to meet the needs of our employees.

Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

Assessment, Policy and Goals

Solaris Paper upholds the rights of its employees in relation to freedom of association and collective bargaining (Principle 3), and recognises the importance of having a well-balanced team through our policies that support diversity and non-discrimination (Principle 6). The nature of Solaris Paper's work means that labour related risks referred to in Principles 4 and 5 on forced and compulsory labour, and child labour are not applicable to Solaris Paper, nor do we engage where there are known risks relating to these areas.

Solaris Paper acts within the laws of Australia in providing a free and fair workplace for all and has systems in place to monitor and manage labour rights issues within the business.

We create a safe and secure workplace for our employees, with all having access to our Health and Safety Policy. We consult with employees on health and safety matters through the working group health and safety representative and the health and safety committee. Each employee has a responsibility to their colleagues and the organisation to report and act upon any potential workplace hazard.

As a business, we are also committed to better protecting our employees and other stakeholders who visit our business.

We support the elimination of employment discrimination as stated in our Code of Conduct.

Our business partner APP too does not tolerate any form of discrimination. Its Employee Welfare Policy includes commitments covering harassment and discrimination, and each mill emphasises this commitment in their Collective Labour Agreements, which also include mechanisms to report any grievances or harassment of any description.

Implementation

Solaris Paper engages both internally and externally on the revisions of policies and other documentation that governs labour practices. Changes are clearly communicated to all employees in a timely manner through toolbox talk, safety notice, safety alert and/or the monthly health and

safety committee meetings. Additionally, any changes to legislation that cover employee rights, such as changes to Workers Compensation, are shared through regular team meetings.

Health and safety of our employees is ensured with a report completed after any OH&S incident. This is a very important step as we track the incidents and use the data to make the working environment safer for employees. Accurate documentation and reporting of all details may be able to prevent a similar incident or event from happening again in future.

The health and safety of our employees is paramount. This is reinforced every quarter during our Safety and Wellbeing Week and employees are encouraged to adopt safe practices on a daily basis – think safe, act safe, be safe.

Solaris Paper is committed to social sustainability. This means we support a highly engaged and capable workforce and contribute to a more sustainable and inclusive society for our employees and broader community. Our range of development and training programs show our commitment to not only developing talented people, but also ensuring all our employees understand our expectations and their obligations in the workplace.

Solaris Paper employees are encouraged to complete legal training and health and safety courses, including first aid on an annual basis. Two percent of payroll spend goes towards workplace development and training programs.

Solaris Paper has also established a compensation program that supports the company's vision and values, strives to develop exemplary employment practices for attracting and retaining quality staff, and assists in the professional development of a talented and diverse workforce.

In order to achieve these goals, Solaris has implemented a pay philosophy to drive its reward and recognition initiatives and encompasses a transparent and consistent company-wide pay philosophy for all permanent production staff employed under the Timber Industry Award 2010. This sees all permanent production staff compensated at Award PLUS 20%, supervisors at Award PLUS 30% and mechanical fitters paid ABOVE 30%.

Measurement of outcomes

Health and safety of our employees is monitored on an ongoing basis, with incident reporting shared at regular team meetings.

There are no investigations, legal cases, fines or other relevant events to report in the last 12 months.

In August 2015 we received a cost saving from Allianz as a result of our proactive approach to injury management and prevention.

Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Assessment, Policy and Goals

Solaris Paper supports the three environmental principles of the UNGC and is committed to the sustainable development of our business. We place environmental and social responsibility at the heart of what we do.

It is our environmental responsibility to ensure that the raw materials we use in our products come from sustainably managed sources. This is achieved through the implementation of best practices such as Chain of Custody systems and Sustainable Forest Management certification.

Solaris Paper has [PEFC](#) Chain of Custody (CoC) certification which is the world's largest forest certification system and ensures 100% of the raw material in our products is either PEFC certified or non-controversial under PEFC guidelines. In the last 12 months, Solaris Paper's Chain of Custody was audited and its certification renewed as a result.

Solaris Paper has met the due diligence requirements of the Australian Government's Illegal Logging Prohibition Bill 2012 and in August 2015 received no non-conformances as a result of our first compliance assessment. As an importer of raw materials and paper products, we and many other importers of timber based products in Australia, are asked to carry out reasonable due diligence to ensure our products do not originate from illegally logged timber.

We continue to support our affiliate Asia Pulp and Paper and its [Forest Conservation Policy](#) (FCP), which since February 2013 has seen the introduction of a moratorium on all natural forest clearance, and assessments to identify High Carbon Stock (HCS) and High Conservation Value (HCV) areas within its supplier concessions. All of which will be protected as part of APP's Integrated Sustainable Forest Management Plan.

Implementation

As an environmentally conscious business, we encourage our staff to adopt environmentally friendly practices in the workplace. These are introduced to staff at their induction and we ensure training in this area is ongoing.

Since the announcement of APP's Forest Conservation Policy (FCP) in February 2013, we have made it a priority to update both staff and customers on the progress being made in implementing this

policy. We have done this through hosting events, sending regular updates and holding one-on-one meetings to share the significant FCP developments with our key stakeholders.

An extension of the FCP has been APP's commitment to support the [protection and restoration of one million hectares](#) of tropical rainforest in Indonesia, which it announced in April 2014. This is one of the most ambitious conservation commitments ever made by a private company.

Over the last twelve months, APP has been engaged in a planning phase designed to map the threats, corporate actors, stakeholders and existing activities across the ten landscapes that APP has identified for conservation priorities. It has sought extensive input from stakeholders and has begun exploring broad-based financing options to fund conservation activities.

Measurement of Outcomes

In January 2014, international environment organisation, the Rainforest Alliance, agreed to conduct an external evaluation of the progress APP has made in implementing its FCP commitments through an independent audit. This evaluation is complete and a [report](#) released in February 2015 concluded that APP has made moderate progress towards meeting its commitments.

APP and Solaris Paper welcomed the report as it recognised the progress APP has made in the last couple years and shows its efforts to achieve zero deforestation are on the right track.

The report also highlighted a number of areas that require additional focus. Its findings, along with feedback from other stakeholders, have been used to inform APP's [FCP implementation plan](#) for 2015 and beyond.

The above has been reported to Solaris Paper staff and customers as part of our regular updates.

There are no investigations, legal cases, fines or other relevant events to report.

Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Assessment, Policy and Goals

Solaris Paper considers the risk of corruption within our business as low, however we expect all Solaris Paper employees to achieve a high standard of personal, ethical and professional conduct. This is clearly explained in our company's Code of Conduct.

As a signatory to the UNGC, we support the United Nations Convention against Corruption and are committed to ensuring we are not involved in any corruption, extortion or bribery in our business dealings.

Implementation

Initiatives in place to combat corruption and extortion have included staff training and Food and Grocery Code of Conduct training.

Solaris Paper's Code of Conduct is fully implemented within the business and included in both our staff induction and annual performance review. This ensures employees maintain ethical and professional standards within the business. Specific responsibility for monitoring the conduct of staff formally lies with senior management and informally with all at Solaris Paper.

Measurement of outcomes

There have been no investigations, legal cases, rulings, fines or other relevant events related to corruption and bribery in the last 12 months.